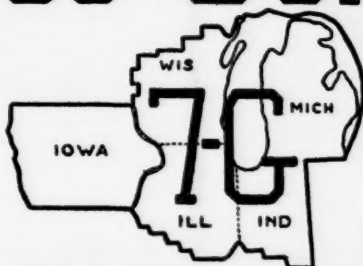


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

Volume 7, No. 10

MONTHLY REVIEW PUBLISHED BY THE
FEDERAL RESERVE BANK OF CHICAGO

October 1, 1924

BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION in basic industries was maintained during August at about the same level as in the two preceding months and factory employment showed a slight increase. Wholesale prices, especially those of agricultural products, showed a further advance.

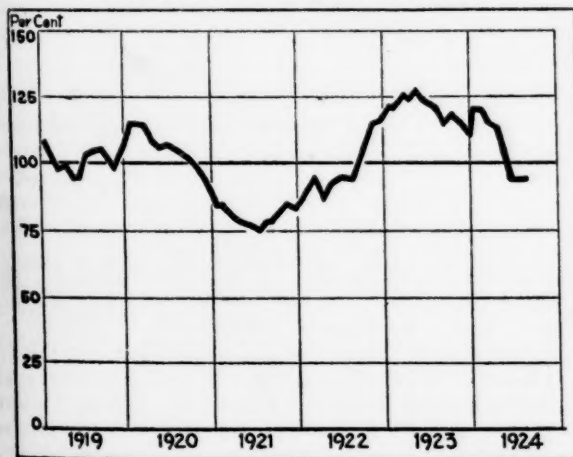
PRODUCTION—The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, continued in August at the same level as in June and July. Production of steel was substantially larger than in July and the output of pig iron and mill consumption of cotton also increased. Sugar meltings and production of anthracite and zinc, on the other hand, were smaller. Factory employment increased slightly in August and average weekly earnings increased 4 per cent owing to less part-time employment.

Larger working forces were reported in the textile, leather, and automobile industries. Building contracts awarded, contrary to the usual seasonal trend, were 3 per cent larger in August than in July.

Crop conditions showed further improvement in August and the September 1 estimates of production by the Department of Agriculture were larger for wheat, oats, barley, and potatoes. Estimated yields of corn, cotton, and tobacco, however, were smaller. Harvesting has proceeded rapidly this year, and the August marketing of wheat was larger than in either of the last two years.

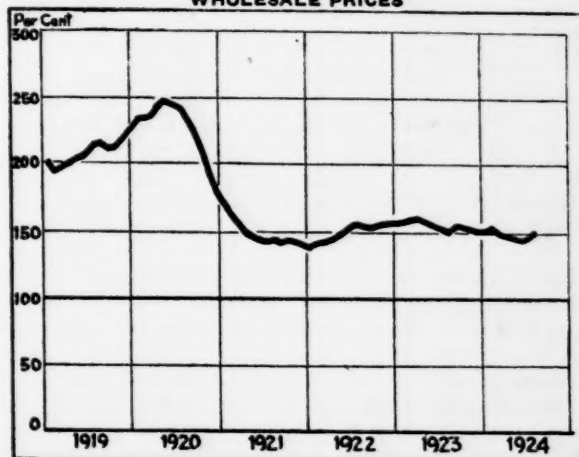
TRADE—Bank debits, which reflect the volume of business transactions settled by check, showed about the usual seasonal decrease in August, but were larger than a year ago. Railroad shipments increased slightly, as a result of larger loadings of

PRODUCTION IN BASIC INDUSTRIES



Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, August, 1924: 94.

WHOLESALE PRICES



Index of U. S. Bureau of Labor Statistics (1919=100, base adopted by the Bureau). Latest figure, August, 1924: 150.

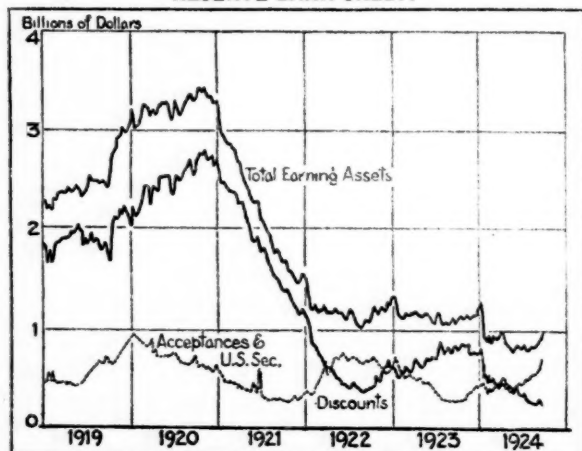
Compiled September 27, 1924

miscellaneous merchandise, grain, and coal. Wholesale trade was 7 per cent larger than in July, owing to seasonal increases in sales of dry goods, shoes, and meat, but continued to be smaller than a year ago. Department store sales showed less than the usual increase in August and were 7 per cent smaller than last year. Mail order sales increased more than usual at this season and were 1 per cent larger than in August, 1923. Merchandise stocks of department stores at the end of August for the first time this year were smaller than on the corresponding date of 1923.

PRICES—Wholesale prices, as measured by the index of the Bureau of Labor Statistics, increased 2 per cent in August and were at about the same level as a year ago. The advance was due largely to further increases in prices of farm products and foods, though all other commodity groups except metals and fuel also advanced. During the first three weeks of September prices of wheat, rye, wool, and rubber increased while those of cotton, silk, petroleum, and metals declined.

BANK CREDIT—Loans and investments of member banks in leading cities continued to increase during the four-week period ending September 10 and on that date

RESERVE BANK CREDIT



Weekly figures for 12 Federal Reserve banks. Latest figures September 17, 1924: Total Earning Assets, \$83 million; Discounts, \$58 million; Acceptances and United States Securities, \$18 million.

BUSINESS CONDITIONS IN THE SEVENTH RESERVE DISTRICT

THE improved sentiment noted a month ago as the outstanding feature of business conditions in the Middle West still prevails, and has already been sufficiently justified by generally expanding operations to create confidence in the outlook for fall activity.

Prospects are especially favorable in the iron and steel industry where orders steadily increased during August. Automobile plants likewise reported larger production, and coal mines showed material gains both in output and in the number of hours worked. Many of the minor manufacturers also evidenced gains, although declines in others resulted in the aggregate employment for the district remaining about the same as in July.

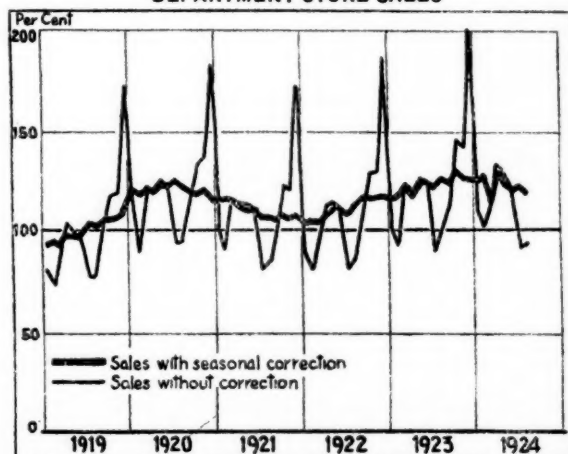
August merchandising statistics reflected the least general improvement, some lines failing to show the usual

reached a record figure about \$1,000,000,000 above the level of three months earlier. The largest increase was in loans on stocks and bonds and commercial loans also increased, owing partly to seasonal demands for credit. The growth of investments by member banks continued though at a somewhat slackened rate.

At the Federal Reserve banks there was a further increase in the holdings of Government securities and of acceptances with the result that in the middle of September, although discounts were at the low point for the year, the total volume of reserve bank credit was higher than at any time since last spring. Seasonal increase in the demand for currency was reflected in a decline in cash reserve and at the Reserve banks in certain of the agricultural districts in an increase of Federal Reserve note circulation.

Slightly firmer conditions in the New York money market in late August and early September were reflected in a slight advance in the rate on commercial paper from a range of 3-3/4 per cent to 3 1/2 per cent. After the middle of September a recurrence of easier conditions followed Treasury operations. The September 15 offerings of one-year Treasury Certificates bore 2 3/4 per cent interest, the same rate as the six months' issue sold in June.

DEPARTMENT STORE SALES



Index of sales of 333 stores in 117 cities (1919=100). Latest figures shown, August, 1924: with seasonal correction, 118, without seasonal correction, 93.

expansion over July. Moreover, few of the mercantile and industrial activities of the district are being maintained at their 1923 levels. Building contract figures constitute a noteworthy exception, the substantially increased August volume having raised the eight months' cumulative awards to a total above a year ago.

Uneasiness over the corn crop is an unfavorable element in an otherwise generally optimistic outlook in many agricultural sections of the district.

In the August financial situation may be noted the exceptionally strong bond market, the continued downward trend of loans to member banks by the Federal Reserve bank, the decrease in savings accounts and in the volume of cancelled checks, and the drop in number and liabilities of business failures in the district.

BANKING CONDITIONS AND MONEY RATES

Limited demand for credit from commerce and industry, rates unchanged in the main from the preceding month, and an increasing volume of liquidation on the part of country banks as a result of better financial position of many farmers, are the outstanding features of banking in the Seventh district. Reports from agricultural sections indicate marked improvement in the general situation which is reflected in lessened demand by country banks on city correspondents. So far as Chicago is concerned, however, banks continue in possession of large surpluses of funds for which profitable employment is difficult to find in the face of no acceleration in demand. No further decline in rates has taken place, present quotations being: Commercial paper, $3\frac{1}{4}$ to $3\frac{1}{2}$; over-the-counter, $4\frac{1}{2}$ to 5, and collateral loans 4 to $4\frac{1}{2}$ per cent.

Loans to member banks by the Federal Reserve bank continued the downward trend of recent months; on September 17, as compared with August 20, the corresponding reporting date in that month, the total of \$28,412,000 was less by nearly \$5,500,000. Total earning assets, aggregating \$120,000,000 on September 17, were the highest since June 11, and slightly above the figure the preceding week, the gain during recent weeks resulting from heavier purchases of bills in the open market, and greater holdings of United States Government securities. Federal Reserve notes in circulation September 17 showed a drop of nearly 10 million from August 20, and more than 2 million from the preceding week.

Loans and discounts of reporting member banks in Chicago moved upward on September 17, slightly increased loans on "other" collateral being responsible for the gain. In Detroit loans on stocks and bonds gained by a small amount, those on United States Government as well as on "other" security declining. In other selected cities loans of member banks on stocks and bonds and "other" securities showed a gain from the preceding week, the declines in volume of loans on United States Government security, however, being very slight. Compared with the aggregate on August 20, total loans and discounts of reporting member banks on September 17 showed an increase of about 37 million, nearly half of which is accounted for by greater loans on stocks and bonds. Investments of reporting members aggregated \$711,331,000 on September 17, a gain of nearly 20 million from August 20, the corresponding reporting date in that month, and an increase of nearly 90 million from the aggregate on September 19, 1923, the corresponding reporting date a year ago. Demand deposits of reporting member banks reached a new high level on September 17 of \$1,762,836,000 compared with \$1,717,179,000 August 20, and \$1,484,245,000 on September 19, 1923; time deposits gained about 12 million as between September 17 and August 20, the current aggregate being \$855,276,000 compared with \$843,086,000 on August 20, and \$781,153,000 September 19, 1923.

In August the sales of commercial paper by nine reporting brokers declined 20.3 per cent from July and 18.1 per cent from June, two months in which unusual activity was shown. Compared with August, 1923, sales were augmented 15.6 per cent, in line with the increases registered in the yearly comparisons since February. Paper outstanding on August 31, although sales were lowered, remained 1.5 per cent above July 31, and increased 9.8 per cent over a year ago. A greater quantity of 3 per cent paper was sold in August than in July, however, $3\frac{1}{4}$ @ $3\frac{1}{2}$ per cent remaining the prevailing rates. A firmer tendency was shown toward the close of the month, and during the first half of September there was practically no paper below $3\frac{1}{4}$ per cent. Four per cent remained the top rate with most dealers. The demand for paper from city banks was steady, country banks remaining out of the market almost entirely. A moderately good demand for funds was experienced by most brokers; grain and milling concerns were active in the market.

Operations of eighteen accepting banks in this district in August were on a somewhat smaller scale than in the preceding notably active month. The volume of bills accepted diminished 32.8 per cent, while purchases decreased 8.2 per cent and sales were less by 41.4 per cent. Month-end holdings, however, expanded 44.4 per cent, and the liability of the banks on their acceptances outstanding August 31 increased 5.1 per cent. All items were considerably above a year ago.

The Federal Reserve bank more than doubled its purchases of bankers' acceptances in August compared with July, bringing the total to \$5,296,472, while month-end holdings rose to \$5,585,384.

The average weekly volume of acceptances purchased by five dealers in the open market increased 47.9 per cent in the four-week period ended September 10 as compared with the preceding five weeks. Sales, however, contracted on an average of 7.3 per cent weekly, owing to a reduction of 38.9 per cent in sales to local banks. All other classes of purchasers bought considerably more than in the preceding period. The result of these operations was an almost three-fold increase in holdings of bills on September 10 as compared with August 13. Slight firming of rates took place, the bid rates on bills for 90 days and less rising from $1\frac{1}{2}$ @ $2\frac{1}{2}$ per cent to $2\frac{1}{2}$ @ $2\frac{3}{4}$ per cent, while longer maturities increased from $2\frac{1}{2}$ @ $2\frac{1}{2}$ per cent to $2\frac{3}{4}$ @ $2\frac{3}{4}$ per cent. The supply of acceptances was good and the demand for them fair, although their movement at the offered rates was slow. Grain, oil, and packing house products were commodities principally involved.

Agricultural Financing—Loans outstanding on August 31 in the five states including the Seventh district as reported by twenty-two Joint Stock Land banks aggregated \$158,587,745, an increase of less than half a million over the revised figure on July 31 of \$158,091,733. Four Fed-

eral Land banks showed loans outstanding in the same territory as \$143,369,440 at the end of August as against \$142,146,290 reported on July 31, while the total of direct loans and rediscounts of four Intermediate Credit banks on August 31 was \$1,335,605, or \$130,000 above the aggregate given at the close of the preceding month. The distribution by states of the outstanding loans of these institutions on August 31 is tabulated below:

| | JOINT STOCK LAND BANKS | FEDERAL LAND BANKS | *INTERMEDIATE CREDIT BANKS |
|----------------------|---------------------------|-----------------------|-------------------------------|
| Number of banks..... | 22 | 4 | 4 |
| Illinois | \$ 47,662,255 | \$ 21,437,990 | \$ 483,210 |
| Indiana | 30,164,320 | 31,655,400 | 22,311 |
| Iowa | 74,734,470 | 48,349,150 | 75,908 |
| Wisconsin | 4,478,400 | 24,050,900 | 753,041 |
| Michigan | 1,548,300 | 17,876,000 | 1,135 |
| Total | \$158,587,745 | \$143,369,440 | \$1,335,605 |

* Includes direct loans and rediscounts.

Savings—Further slight declines were reported in this district on September 1, in the amount of savings deposits and the average savings account, the losses from August 1 of 203 banks aggregating 0.1 and 0.3 per cent, respectively. Withdrawals were due to the vacation period, slack industrial conditions, and the placing of funds in other investments. Iowa again recorded increases in the amount of savings deposits and the average savings account; the gain in the former item was 0.9 per cent, and in the latter, 1.0 per cent. There was practically no change in the amount of savings deposits in Illinois and Wisconsin, while Indiana deposits were 0.2 per cent less than on August 1, and Michigan savings declined 0.6 per cent. Losses in the average savings account were registered in these four states.

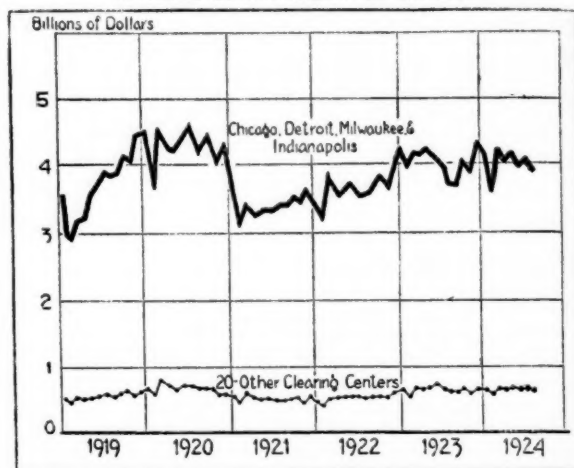
In comparison with September 1 last year, all five of the states including this district reported gains in the amount of their savings deposits, the increases ranging from 1.0 in Indiana to 5.7 in Michigan, while the aggregate amount was 4.3 per cent greater. Indiana banks alone had a smaller average account than a year ago. Gains recorded in the other four states were 0.2 per cent in Illinois, 0.8 in Iowa, 0.3 in Michigan, and 0.7 in Wisconsin. The increase for the district was 0.3 per cent.

Volume of Payment by Check—Decreases in the volume of payment by check took place in each of the four larger reporting centers of the district, Chicago, Detroit, Milwaukee, and Indianapolis, the aggregate declining 3.6 per cent from that of July. Compared with August, 1923, however, debits to individual accounts gained 5.9 per cent in the total for these cities. Seventeen smaller clearing house cities showed lessened volume of check payment, while three increased, and as a result the total shrank 6.1 per cent from July, and gained 2 per cent over August of

last year. For the entire group of twenty-four cities reporting to this bank, the decrease from July was 4 per cent, and the gain over August of last year, 5.4 per cent.

| | AGGREGATE AUGUST, 1924 (000 OMITTED) | PERCENTAGE JULY 1924 | CHANGES FROM AUGUST 1923 |
|----------------------|--|----------------------------|--------------------------------|
| Chicago | \$2,864,692 | -3.8 | +8.3 |
| Detroit | 653,192 | -1.3 | +3.6 |
| Milwaukee | 238,491 | -5.9 | -7.0 |
| Indianapolis | 143,018 | -7.8 | -3.9 |
| Total 4 cities..... | \$3,899,393 | -3.6 | +5.9 |
| Total 20 cities..... | 630,294 | -6.1 | +2.0 |
| Total 24 cities..... | \$4,529,687 | -4.0 | +5.4 |

VOLUME OF PAYMENT BY CHECK



Checks Drawn on Clearing House Banks, 7th District
Figures used are estimates for calendar months based on weekly reports to this bank. Latest figures shown, August, 1924, in thousands of dollars: Chicago, Detroit, Milwaukee, and Indianapolis, 3,899,393; 20 Other Clearing House Centers, 630,294.

Bonds—Investment demand was exceptionally good for the month of August, considering the fact that it is generally the duller month of the year. Prices held firm in practically all classes of securities. During the first two weeks of September activity was not quite so pronounced; however, public demand for bonds still appears to be heavy and as new flotations are not coming on the market very rapidly, there is little likelihood of congestion. Demand still favors public utilities, foreign issues, and railroad securities, although the market for municipals was exceedingly good.

The issue of \$350,000,000 one year $2\frac{3}{4}$ per cent Treasury Tax Certificates, dated September 15, was oversubscribed. Total subscriptions received for this district were \$51,859,500 against a quota of \$49,000,000, and the final allotment was \$44,619,000. Of this amount \$29,196,500 were cash subscriptions and \$15,422,500 were exchanges.

AGRICULTURAL PRODUCTION AND FOODSTUFFS

Continued unfavorable weather conditions in the Seventh district retarded the maturing of corn to such an extent that the middle of September found it still largely in the milk or roasting ear stage and the condition of the plant only 64.5 per cent of that registered for the correspond-

ing date of 1923. With the crop thus two to three weeks behind that of 1923 (which failed to mature even with more favorable growing weather conditions prior to damaging frost), there is apprehension lest an early killing frost reduce the final yield and quality below the figures given in

official estimates for September 1.

Reports sent direct to this bank from 152 county agents representing 213,573 farmers show that the per acre yield of oats in the Seventh district is higher in 1924 than last year. The returns also indicate that the average yield for potatoes is greater than in 1923. Rain and hail storms during August hindered harvesting of grain and tended to reduce yields somewhat, particularly in Iowa and Illinois. Excessive moisture not only delayed threshing in many localities but also resulted in some discoloration and sprouting of the wheat and oats remaining in shocks in fields.

The number of hogs on farms on September 1 being prepared for fall and early winter marketing was approximately 80 per cent of that for the corresponding date last year, according to statistics compiled from reports from county agents in this district.

CROP PRODUCTION

Estimated by the Bureau of Agricultural Economics as of September 1
(In thousands of bushels)

| | SEVENTH DISTRICT | | UNITED STATES | | 1918-22 5-yr. Av. |
|------------------|------------------|---------|---------------|-----------|----------------------|
| | 1924 | 1923 | 1924 | 1923 | |
| Corn | 777,598 | 976,124 | 2,512,888 | 3,046,387 | 2,899,428 |
| Oats | 585,121 | 490,254 | 1,486,412 | 1,299,823 | 1,302,516 |
| Total Wheat | 64,762 | 82,965 | 836,754 | 785,741 | 880,989 |
| Potatoes (white) | 72,091 | 70,752 | 412,761 | 412,392 | 390,616 |
| *Tobacco | 35,475 | 50,354 | 1,195,099 | 1,491,066 | 1,361,000 |

*In thousands of pounds.

GRAIN MARKETING

County agents' reports indicate that a majority of farmers are continuing to take advantage of the firm market prices now prevailing and are selling the greater portion of their surplus small grain from the 1924 harvest, but are holding some old corn until the quality of the new crop is definitely established. The movement of grain to terminal markets of the United States was seasonally greater than in July, that of wheat being heavier in August than in any month for three years. Moderate domestic trade continues, export inquiry for corn is somewhat limited but foreign demand for other grain has improved over that of a month ago. A small prospective corn crop, coupled with the increasing possibility of a downward estimate of production should frost occur at average dates, is largely responsible for the present quotation for December futures at approximately 70 per cent over a year ago.

Visible supplies of wheat in the United States, Canada, and the United Kingdom totaled 153,565,000 bushels on September 13, 1924, compared with 136,229,000 bushels on August 9, 1924, and 120,474,000 bushels on September 15, 1923.

VISIBLE SUPPLY OF GRAIN IN THE UNITED STATES

Figures supplied by the Chicago Board of Trade
(In thousands of bushels)

| | WHEAT | CORN | OATS | RYE | BARLEY |
|-----------------------|--------|-------|--------|--------|--------|
| September 13, 1924 | 76,930 | 4,869 | 29,713 | 16,157 | 2,704 |
| Warehouses and Afloat | 2,603 | 1,776 | 1,059 | 240 | |
| Bonded | | | | | |
| August 16, 1924 | 58,106 | 5,507 | 2,373 | 15,146 | 302 |
| Warehouses and Afloat | 2,548 | 2,759 | 615 | 191 | |
| Bonded | | | | | |
| September 15, 1923 | 59,559 | 1,689 | 15,196 | 13,765 | 2,845 |
| Warehouses and Afloat | 506 | 76 | 931 | 71 | |
| Bonded | | | | | |

Flour—Output of flour in this district was much heavier in August than during the preceding month. Total production of thirty-seven mills reporting to this bank was 20.7 per cent greater than in July, wheat flour gaining 20.8

per cent and other flour, 19.4 per cent. Operations were increased from 52.2 to 63.0 per cent of capacity, while in the corresponding month of 1923 the operating ratio was 53.6 per cent. The gain in output over August, 1923, was 13.1 per cent.

The volume of sales was less in August than in either July or the corresponding month a year ago, the declines being 3.0 and 13.0 per cent, respectively. The value of these sales, however, was greater in both comparisons, August figures showing an increase of 3.0 per cent over July and of 11.6 per cent over August, 1923. There was little change in the collection situation.

The movement of flour through Chicago continued to expand. Receipts in this city during August, as reported by the Chicago Board of Trade, were 1,064,000 barrels, compared with 1,015,000 barrels in July and 863,000 barrels in the same month a year ago. Shipments out of Chicago gained 25,000 barrels over the preceding month, but were 10,000 barrels smaller than in 1923.

A further slight decline in stocks of flour on hand was evident at the end of August. Wheat stocks, on the other hand, were more than doubled during the month, a large gain being normal at this season of the year. The increase over the preceding month, however, was much greater than in previous years.

MOVEMENT OF LIVE STOCK

Cattle receipts during August exceeded those of the preceding month, but were less than in the corresponding period of last year. Large stock reshipments to feed lots, however, reduced the aggregate bovine slaughter to a point below that in July. Further seasonal diminution in the marketing and killing of hogs resulted in smaller district totals for this class of live stock than in any other month since last September; for the United States the lowest level was reached for any like period since September, 1922. In direct contrast to the decline in pork packing, district receipts and slaughter of lambs and sheep reached the highest point of any month since January, and those for the entire United States exceeded figures for any corresponding period subsequent to October last year.

LIVE STOCK SLAUGHTER

| | CATTLE | HOGS | SHEEP AND LAMBS | CALVES |
|-----------------------------|---------|-----------|--------------------|---------|
| Yards in Seventh District, | | | | |
| August, 1924 | 210,581 | 774,159 | 279,828 | 77,651 |
| Public Stock Yards in U. S. | | | | |
| August, 1924 | 715,643 | 2,016,593 | 977,845 | 375,921 |
| July, 1924 | 721,711 | 2,605,398 | 959,493 | 419,956 |
| August, 1923 | 760,176 | 2,283,122 | 902,883 | 408,088 |

During August, more sheep and lambs were shipped to feed lots than in the preceding month or August of last year. Fewer cattle and calves moved back to farms during August, 1924, than in the corresponding period a year ago.

AVERAGE PRICES OF LIVE STOCK

Per hundred pounds at Chicago

| | WEEK ENDED | | MONTHS OF | |
|------------------------------|-------------------|--------------|--------------|--------------|
| | SEPT. 13, 1924 | AUG. 1924 | JULY 1924 | AUG. 1923 |
| Native Beef Steers (average) | \$ 9.80 | \$ 9.60 | \$ 9.45 | \$10.65 |
| Fat Cows and Heifers | 5.55 | 5.65 | 6.05 | 5.60 |
| Canners and Cutters | 2.90 | 2.75 | 2.90 | 2.90 |
| Stockers and Feeders | 6.25 | 5.95 | 6.25 | 6.10 |
| Hogs (bulk of sales) | 9.40 | 9.30 | 7.75 | 7.60 |
| Sheep | 6.15 | 6.55 | 5.80 | 7.10 |
| Yearling Sheep | 9.50 | 9.70 | 10.85 | 10.50 |
| Lambs | 13.85 | 13.50 | 13.85 | 13.25 |
| Calves | 11.60 | 11.65 | 9.85 | 11.50 |

Meat Packing—As a result of lowered volume in the August aggregate production of edible meat products, employment at slaughtering establishments in the United States declined 2.2 per cent in number, 2.6 per cent in hours worked, and 2.1 per cent in total payrolls for the period covered by the last pay date in August compared with the corresponding period in the preceding month. Statistics compiled from reports made direct to this bank by fifty-five meat packing companies in the United States show that total sales for August rose 3.4 per cent above the July level and were 2.9 per cent greater than in August of last year. Owing to demand for product being somewhat in excess of current receipts of live stock, the supply of meat and lard in cold storage warehouses in the United States was slightly smaller on September 1 than at the beginning of August. Total holdings were a little in excess of the 1921-23 average for September 1.

At Chicago, prices of lamb declined; those of beef changed little, although lower grades eased somewhat; but prices of most other edible products averaged higher in August than in July. By the middle of September, the trend of prices had again moved slightly downward.

Representative establishments engaged in foreign trade report a smaller volume of meat and lard forwarded in August for export than in the preceding month. Largely because of the hesitancy in buying on the part of some overseas importers in the face of the price advances noted above and pending economic readjustment of Europe, consequent upon a definite solution of the reparations problem, packer holdings of consigned stocks already abroad were

indicated as greater than at the beginning of August. Prices on the continent are reported nearly on a parity with domestic markets but in the United Kingdom lard and a few other products are still below the equivalent of Chicago quotations.

DAIRY PRODUCTS AND POULTRY

Although August showed a seasonal contraction of 19.8 per cent from July, the district production of creamery butter was 14.9 per cent greater than in the corresponding period of last year. Sales in August declined 19.6 per cent from the previous month, but were 10.0 per cent in excess of those a year ago, according to reports sent direct to this bank by representative companies in the Seventh district. Statistics on total output in the United States issued by the American Association of Creamery Butter Manufacturers indicate a continued trend downward from the high point in June although production is well above the level at this time last summer. Cheese was produced in lesser volume in Wisconsin factories during the five weeks ended September 7 than in the prior period or than between the corresponding dates in 1923.

Receipts of butter and cheese increased over July but those of eggs and poultry declined; all were diminished in volume from August a year ago. Larger holdings of poultry, butter, and cheese, but smaller stocks of eggs remained in cold storage warehouses in the United States on September 1 than at the beginning of the preceding month. Supplies of butter and cheese were greater but those of poultry and eggs were slightly less than those on September 1, 1923. Prices are somewhat firmer at Chicago than those prevailing during the early part of August.

FUEL AND POWER PRODUCTION

COAL

Production of bituminous coal in the United States showed a steady gain throughout August, and for the week ended August 30 attained a volume of 8,719,000 tons, the largest amount mined since March. Total output for the month was 34,765,000 tons, an increase of 2,481,000 tons over July. Production receded to 7,958,000 tons the week ended September 6, but this was due to curtailed operations on Labor Day. The average daily rate of output continued upward, however, climbing to 1,513,000 tons in this same week, in comparison with 1,453,000 tons in the preceding week and 1,298,000 tons in the week ended August 9. Spot prices of bituminous coal advanced after the middle of August, declined slightly on August 30, but on September 8 advanced again reaching the highest level since June 30, according to the *Coal Age* index.

In Illinois and Indiana, the percentage of loss in operating time ascribed to lack of orders was smaller during August than in any month since March, while the number of hours worked gained materially. The output in Illinois coal mines increased from 4,536,520 tons in July to 5,305,100 tons in August. Cooler weather the latter part of August

and the first two weeks of September helped to stimulate buying of domestic sizes, but the demand for steam coals lagged following a fairly active market the fore part of August.

Loadings of bituminous coal at Lake Erie ports continued to gain during August, according to reports furnished by the Ore and Coal Exchange. Although the volume was still considerably below the corresponding period of last year, the decline was not so great as in the preceding month. The following figures indicate the comparisons:

| | AUGUST, 1924 | JULY, 1924 | AUGUST, 1923 |
|-------------|--------------|------------|--------------|
| Cargo | 3,554,221 | 3,418,426 | 4,359,850 |
| Fuel | 192,465 | 203,239 | 258,041 |
| Total | 3,746,686 | 3,621,665 | 4,617,891 |

The distribution of these loadings to American ports on Lake Superior declined from 1,510,045 tons in July to 1,495,005 tons in August, and on Lake Michigan increased from 854,465 tons to 884,022 tons.

The rate of anthracite production fluctuated considerably during August, dropping from 1,664,000 tons for the week ended August 9 to 1,386,000 tons the following week, but increasing again during the next two weeks to 1,837,000 tons for the week ended August 30. Total production dur-

ing August was 7,086,000 tons, a decline of 696,000 tons from July. Labor Day affected operations in the week ended September 6, reducing output to 1,451,000 tons. During the week ended September 8 last year there were only 3,000 tons mined, as that week marked the beginning of a general anthracite strike.

ELECTRIC ENERGY

Operations of electric energy producers in this district in August compared more favorably with July than any month-to-month comparison since March. Daily output and the working-day average of industrial sales in August gained over July, in contrast to the July-June comparison when declines were shown in these items. In those instances where increases over a year ago had been shown in July, additional expansion occurred in August, while

average daily industrial sales, which had declined extensively in the former month, were but slightly reduced in this comparison. The productive capacity of the plants of the reporting companies was reduced 0.3 per cent from July, but remained 13.7 per cent above 1923.

CHANGES IN AUGUST, 1924, FROM PREVIOUS MONTHS

Compiled from direct reports to this bank from eight companies

| | AUGUST 1924 | PER CENT CHANGE FROM | |
|---|----------------|----------------------|----------------|
| | | JULY 1924 | AUGUST 1923 |
| Plant output (K.W.H.) | 508,288,260 | +3.9 | +2.5 |
| Plant output (daily average, K.W.H.) | 16,396,394 | +3.9 | +2.5 |
| Peakload demand (K.W.) | 1,221,579 | +1.6 | +4.4 |
| Industrial sales (K.W.H.) | 213,677,897 | +5.3 | -4.9 |
| Industrial sales (working day average —K.W.H.) | 8,218,381 | +5.3 | -1.2 |
| | AUGUST 1924 | JULY 1924 | AUGUST 1923 |
| Racial peakload demand to plant capacity | 67.1 | 65.9 | 73.1 |
| Load factor | 55.9 | 54.7 | 57.0 |

INDUSTRIAL EMPLOYMENT CONDITIONS

The Seventh Federal Reserve district experienced practically no change in the volume of industrial employment during the month ended August 15. An average decline of not more than two-tenths of one per cent was reported for industries employing an aggregate of about 365,000 workers. The state of Illinois, after an especially heavy decline of the month before, made a slight gain, the first since last February. Earnings of workers as reported for the entire district advanced 2.9 per cent, thus partially balancing the loss of 5.7 per cent experienced during July. The change here was mainly the result of a termination of the vacation and inventory period and therefore hardly indicative of the industrial trend.

While aggregate employment may thus be said to have remained stationary, there were a few industries which showed definite signs of an increasing activity. Lumber and its products showed an upward trend for the first time in many months, sawmills and planing mills operating at greater capacity as was the case with most of the furniture factories. Pianos and other musical instruments have entered upon their active season in preparation for the holiday trade. In the chemical products group there was a similar improvement after the sharp decline of the previous months, oils and drugs making substantial gains. In leather and its products, gains were general although a continued

downward tendency was exhibited by many of the reporting firms. Rubber products continued to make additions to working forces and payrolls.

Of the industries included under the metals and metal products group, many reported still further reductions in their forces, but the aggregate volume of employment was maintained at the level of the previous month. A heavy seasonal increase in the manufacture of watches and jewelry affected these figures. The heaviest declines in employment were those recorded for textiles and food products, the only reporting groups for which the weekly earnings were below those of the month before. For vehicles and the stone, clay, and cement products group, employment fell off a little over one per cent but earnings went up nearly 4 per cent.

According to the Detroit Employers' Association report, employment in that city was 2 per cent higher the first week in September than in the corresponding period of August, the first increase shown for any similar comparison since February. Indications as to the trend in industrial employment are also furnished by the reports from state employment offices, giving the ratio of the number of applicants to places available. In Illinois this ratio, standing at 171 for both June and July, fell to 152 for August, while in Indiana the ratio, after falling from 147 to 109 during the month of July, rose to 123 for the first week of September.

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

| INDUSTRIAL GROUP | Number of wage earners week ended— | | | Total earnings week ended— | | |
|---|---------------------------------------|---------|--------------------|-------------------------------|-------------|--------------------|
| | Aug. 15 | July 15 | Per Cent Change | Aug. 15 | July 15 | Per Cent Change |
| All groups (10) | 364,391 | 365,054 | -0.2 | \$8,694,759 | \$8,447,236 | +2.9 |
| Metals and metal products (other than vehicles) | 138,426 | 138,142 | +0.2 | 2,779,828 | 2,652,435 | +4.8 |
| Vehicles | 39,467 | 39,908 | -1.1 | 1,135,393 | 1,094,891 | +3.7 |
| Textiles and textile products | 29,640 | 30,189 | -1.8 | 683,058 | 698,064 | -2.1 |
| Food and related products | 54,250 | 55,511 | -2.3 | 1,406,952 | 1,428,449 | -1.5 |
| Stone, clay, and glass products | 12,185 | 12,328 | -1.2 | 363,121 | 350,599 | +3.6 |
| Lumber and its products | 34,460 | 33,812 | +1.9 | 813,163 | 764,626 | +6.3 |
| Chemical products | 8,582 | 8,247 | +4.1 | 219,321 | 204,009 | +7.5 |
| Leather products | 15,632 | 15,502 | +0.8 | 352,089 | 328,799 | +7.1 |
| Rubber products | 2,837 | 2,661 | +6.6 | 78,859 | 69,648 | +13.2 |
| Paper and printing | 28,912 | 28,754 | +0.5 | 862,975 | 855,716 | +0.8 |

MANUFACTURING ACTIVITIES AND OUTPUT

AUTOMOBILE PRODUCTION AND DISTRIBUTION

Acceleration in the production schedules of automobile manufacturers is indicated in the August reports received by this bank, which increase, although largely seasonal in character, gives evidence of improved conditions in the industry. The output of passenger cars during August by identical manufacturers, representing practically complete production, numbered 251,553, an increase of 5.9 per cent over July, but 19.9 per cent under a year ago. Trucks built by manufacturers whose July output amounted to 24,895, were 26,781 in August, a gain of 7.6 per cent over the preceding month, but 10.4 per cent less than in August, 1923. Advances in prices were announced by several manufacturers.

The number of cars in warehouses in Chicago, a large distributing center for the Middle West, decreased steadily during the month.

Sales of passenger cars at wholesale by seventy-one distributors and dealers in the Middle West during August were below those of the previous month, although a large number of distributors reported small increases. Compared with a year ago, a larger number of wholesale transactions were made. Retail sales were smaller than in July, 1924, and August, 1923. August of this year was the fourth consecutive month showing a smaller number of cars moving into consumers' hands. New cars on hand at the close of the month were less in number than those held on July 31, but were greater than at the close of August last year, the year-to-year comparison showing the smallest gain for some months. Sales of used cars during the month were above both the preceding month and year. Used cars on hand August 31 decreased from July 31, but increased over a year ago, and represented 90 per cent of the used cars sold during the month.

DISTRIBUTION OF AUTOMOBILES

Changes in August, 1924, from previous months

| | PER CENT CHANGE FROM JULY, 1924 | Aug., 1923 | COMPANIES INCLUDED JULY, 1924 | Aug., 1923 |
|---|------------------------------------|------------|----------------------------------|------------|
| Number of new cars sold | | | | |
| Wholesale | -2.7 | +13.5 | 39 | 37 |
| Retail | -7.4 | -14.3 | 67 | 67 |
| Value of new cars sold | | | | |
| Wholesale | -1.6 | +13.3 | 39 | 37 |
| Retail | -8.6 | - 5.8 | 67 | 67 |
| New cars on hand at end of month | | | | |
| Number | -5.4 | + 9.6 | 68 | 63 |
| Value | -6.3 | + 7.5 | 68 | 63 |
| Used cars sold during the month | +5.7 | +33.2 | 66 | 67 |
| Salable used cars on hand at end of month | | | | |
| Number | -5.9 | +30.4 | 65 | 61 |
| Value | -1.6 | +10.1 | 65 | 61 |

Passenger cars exported from the United States during July numbered 9,945, with a value of \$7,256,983, declines of 1.9 per cent in number and 2.9 per cent in value from June, and 15.8 per cent and 6.7 per cent, respectively, from July a year ago. Trucks exported totaled 1,752 in number and \$1,340,644 in value, representing drops of 20.0 per cent and 12.5 per cent, respectively, below June and 43.0 per cent and 15.5 per cent under a year ago.

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AGRICULTURAL MACHINERY AND EQUIPMENT

Reports of greater sales in August than in the preceding month have been received from a large number of agricultural machinery companies concerned primarily with the manufacture of implements for the preparation of fall crops for market and for storing forage for winter feeding. Heavier sales of tillage machinery in connection with autumn seeding are also reported. However, the aggregate of domestic and export sales failed to reach the total for July, although about equal to that for August of last year. Total production declined from a month ago, output being about 49.1 per cent of the estimated normal rate for August. Collections continue somewhat slow.

PRODUCTION AND SALES OF FARM EQUIPMENT IN THE U. S.

| | Changes in August from previous months | | COMPANIES INCLUDED | |
|------------------------------|--|------------|--------------------|------------|
| | PER CENT CHANGE FROM JULY, 1924 | Aug., 1923 | JULY, 1924 | Aug., 1923 |
| Domestic sales | -0.5 | + 6.1 | 98 | 98 |
| Sales billed for export..... | -3.5 | -27.6 | 98 | 98 |
| Total sales | -0.9 | - 0.3 | 98 | 98 |
| Production | -3.3 | -19.0 | 90 | 91 |

Sales based on dollar amounts. Production computed from employment.

IRON AND STEEL PRODUCTS

Improvement in the steel market, retarded to a degree by uncertainty as to price changes, was nevertheless definite and encouraging in August. Orders placed were more numerous and for heavier tonnages than in July, and the volume of inquiries pointed to continued expansion in the industry. Railroads, oil companies, and manufacturers of agricultural machinery swelled the volume of buying, and good awards were received on structural steel. Operations by the close of the month had reached a point above 50 per cent of ingot capacity.

Demand for pig iron increased steadily, and bookings were in fair volume. The most favorable feature of this market, however, was the firmness of prices and the expanding volume of sales on higher quotations, including tonnages for fourth quarter requirements. Shipments of pig iron were sufficiently large to permit reduction of furnace stockpiles, although blast furnace operations increased.

In the Chicago district better conditions prevailed in the iron and steel market in August and production increased steadily. Bookings were substantially larger than in the preceding month; leading producers received orders aggregating 20 per cent or more above July. Purchasing of bars was active, while sheet and plate business was fairly good, the latter particularly so toward the close of the month. The demand came from practically all classes of consumers; the railroads, farm equipment, automobile, and tank manufacturers, and steel fabricators for structural work supplied the greatest volume of business. Steel prices were generally unsettled. The price of northern malleable and foundry iron rose 50 cents, being quoted at \$20.50 after the first two weeks of the month.

Recording the first increase since March, the country's average daily production of steel ingots in August was

97,750 tons, a rise of 37.2 per cent over July. Pig iron production, after four months of recession averaged 6.0 per cent more daily in August than in the preceding month; in the Illinois and Indiana district the increase was 1.1 per cent. The unfilled orders of the United States Steel Corporation on August 31 were 3,289,577 tons, a 3 per cent rise over those of July 31 and represented the first expansion since February. The composite average of iron and steel prices compiled by the *Iron Trade Review* receded from \$39.47 on July 30 to \$39.23 on September 3, although during the month a slight temporary rise, the first in five months, was recorded. The reduction was due almost solely to steel price softness. Scrap metal prices at Chicago were very firm and increases ranging from \$0.25 to \$2.00 were effected.

Zinc—Production of slab zinc, declining for the third successive month, was 41,775 tons in August, compared with 42,913 tons in July. Shipments, however, continued heavier, and the aggregate for August was 9.2 per cent above the preceding month, while stocks receded 3.4 per cent, after a four months' rise. Zinc ore shipped from the Joplin district in August aggregated 73,726 tons compared with 46,348 tons in the preceding month and 43,067 tons in August, 1923. The average price was \$42.19 in August, \$39.31 in July, and \$38.34 a year ago.

Casting Foundries—August returns from reporting casting foundries in this district reveal a small increase in total production over the preceding month, the first gain since May. Shipments, however, were somewhat below those of July. Despite the reduction of 12.2 per cent in the volume of steel scrap used, the aggregate melt advanced 3.0 per cent as a result of the large increases in the consumption of pig iron and iron scrap. Compared with 1923, as in the preceding months of this year, August production and shipments showed extensive declines. The weighted average operating ratio of foundries reporting the item was 63.4 per cent in August, compared with 62.6 per cent in July. Castings shipped in August averaged \$147 per ton, compared with \$148 in July, and \$155 in August, 1923.

CHANGES IN AUGUST, 1924, FROM PREVIOUS MONTHS

| | PER CENT CHANGE FROM | | COMPANIES INCLUDED | |
|----------------------------|----------------------|------------|--------------------|------------|
| | JULY, 1924 | AUG., 1923 | JULY, 1924 | AUG., 1923 |
| Pig iron consumed..... | +45.3 | — 7.9 | 26 | 26 |
| Iron scrap consumed..... | +25.9 | —37.2 | 26 | 26 |
| Steel scrap consumed..... | —12.2 | —38.3 | 26 | 26 |
| Total tonnage consumed + | 3.0 | —30.9 | 26 | 26 |
| Castings shipped (tonnage) | — 3.6 | —28.2 | 25 | 25 |
| Castings shipped (dollars) | — 4.9 | —32.8 | 25 | 25 |

Stoves and Furnaces—The beginning of the customary fall activity of manufacturers of stoves and furnaces is indicated in the August reports to this bank from sixteen firms in the district. Practically all producers showed heavier shipments and orders, although the latter remained slightly below a year ago. The increased moulding room activity in August, following the extreme decline in July, brought the rate of production in the former month above the June level as well as that of August, 1923.

Companies experiencing collection difficulties find them most pronounced in the coal mining districts of the Middle West.

CHANGES IN AUGUST, 1924, FROM PREVIOUS MONTHS

| | PER CENT CHANGE FROM | | COMPANIES INCLUDED | |
|----------------------------------|----------------------|------------|--------------------|------------|
| | JULY, 1924 | AUG., 1923 | JULY, 1924 | AUG., 1923 |
| Shipments | +39.4 | +4.3 | 16 | 15 |
| Orders accepted | +53.4 | —4.1 | 12 | 11 |
| Inventories | — 4.3 | —2.8 | 11 | 10 |
| Operations (moulding room) | +40.5 | +6.0 | 14 | 14 |

SHOE MANUFACTURING, TANNING, AND HIDES

District production and shipments of shoes moved seasonally upward in August subsequent to the customary downward trend during the preceding four months. The increase in volume of shipments over July was nearly as great as in the corresponding period of the two previous years but the rise in production was less marked than in August of 1922 or 1923. Shipments aggregated 23.5 per cent more than current production, causing a further lowering of factory inventories. Twenty-two companies reported stocks at the beginning of September equivalent to 67.5 per cent of the volume of shipments forwarded by them in August. Unfilled orders held by twenty-four of the companies were 45.7 per cent greater than the aggregate of their August shipments.

CHANGES IN THE SHOE MANUFACTURING INDUSTRY IN AUGUST, 1924, COMPARED WITH PREVIOUS MONTHS

| | PER CENT CHANGE FROM | | COMPANIES INCLUDED | |
|-----------------------|----------------------|------------|--------------------|------------|
| | JULY, 1924 | AUG., 1923 | JULY, 1924 | AUG., 1923 |
| Production | +16.6 | —14.4 | 31 | 31 |
| Shipments | +31.8 | — 5.5 | 31 | 31 |
| Inventories | —19.2 | —18.6 | 22 | 22 |
| Unfilled orders | + 5.8 | + 6.8 | 24 | 24 |

Representative tanners in the district report a slight increase in production and sales of leather over July. Sales in greater volume were billed in August than in the corresponding month last year but volume of operations did not quite equal that in August, 1923. Demand for harnesses slackened somewhat from that in July. Leather prices remain firm.

Although trading continued moderately active throughout the month of August, advancing prices tended to lessen purchases somewhat, so that the total movement of green hides and skins at Chicago was under that of the preceding month.

FURNITURE

Shipments made during August by twenty-one furniture manufacturers in the Seventh district were 29.7 per cent greater than those in July, but considerably under those in August, 1923. After a marked increase in the preceding month, orders again fell off and August bookings were 19.3 per cent below July business, although the majority of firms reported gains over that month. The volume of business was greater than in the corresponding period last year. An increase in the operating ratio from 66.9 to 72.5 per cent of capacity, together with the fewer orders booked during August, effected a reduction in the amount of unfilled orders held on August 31 of 2.4 per cent. At the present rate, there is still about five weeks' business on hand in factories. Cancellations during August were few. The collection situation remained about the same, but was not so good as a year ago.

RAW WOOL AND FINISHED WOOLENS

The raw wool market maintained its improved position throughout August; prices continued their upward trend, particularly on the finer grades, and active trading was in evidence. The limited supply situation is no doubt responsible for this strength in the market. Not more than five per cent of the 1924 clip now remains in growers' hands, and it is estimated that between 50 and 60 per cent of this wool is held by manufacturers. Prices of pulled wools also

advanced during August, stocks were low, and trading brisk. Foreign markets are firm and, at the opening in Brisbane the first week of September, sharp price advances were recorded on merino wools.

The opening by the mills of worsted and woolen lines during August stimulated buying in the goods market to some extent, although purchases by clothing manufacturers have so far been irregular and conservative. Woolen goods were in the best demand, with flannels especially popular.

BUILDING MATERIALS AND CONSTRUCTION ACTIVITIES

The renewed activity displayed in the lumber industry during July extended into August. Orders were received in fair volume, shipments increased, and the cut, although below August last year, exceeded that of the preceding month. There was some slackening in southern pine toward the end of August, but the hardwood market showed further improvement. The majority of dealers reporting to this bank booked an increased volume of business during August, although aggregate sales showed a slight decline from those in July. There was some acceleration in demand from the furniture and automobile industries, also from box factories and the railroads, but the building industry and retail yards supplying it continued to be the heaviest buyers. Prices were firm, with increases recorded in Douglas fir, southern pine, and maple flooring. The collection situation remained about the same.

Record shipments and production of cement were again reported for the United States during August; stocks are decreasing steadily, but continue adequate for all requirements. The wet weather during August curtailed to some extent the movement of cement in the Seventh district. The volume of shipments was fair, however, as was production. Chicago manufacturers of common brick are now able to keep pace with the demand which slackened somewhat during August, although business has been sufficiently good to prevent any accumulation of stocks. Outside Chicago, there has been little change in the request for either brick or cement. In Iowa, uncertainty with respect to the corn crop has been a retarding factor in the demand for building materials, so that very little gain in activity has so far been reported in that state.

BUILDING CONSTRUCTION

Increases were reported in building construction during

August, following the decided reduction in activity which took place in July. Contracts awarded in this district were 14.1 per cent greater than in the preceding month and 36.1 per cent above August, 1923. During the first quarter of 1924, construction was in advance of 1923; the ensuing four months, the cumulative totals were below the preceding year's figures; but the large gain in August has carried building activity to a point 1.6 per cent beyond that of the same period last year. Contract awards for the first eight months of this year aggregated \$484,811,828, in comparison with \$477,296,289 in the corresponding period of 1923. Volume of residential construction is decidedly larger than a year ago, August awards being 66.3 per cent above those of the same month in 1923. Each of the five states including this district reported increases over August last year in the value of all building contracts. In comparison with July this year, Illinois and Indiana showed gains, while Iowa, Michigan, and Wisconsin registered declines.

Permits issued in fifty cities of the Seventh district were smaller in number than during either July, 1924, or August, 1923. The estimated cost of these projects, however, exceeded these periods by 3.7 and 3.4 per cent, respectively. Of the five leading cities of the district, Detroit and Des Moines showed declines from July and a year ago in the amount of contemplated construction, while Chicago, Indianapolis, and Milwaukee reported gains in these comparisons. Building planned in the remaining forty-five cities decreased 5.7 per cent in number and 2.2 per cent in estimated cost from July, declined 8.9 per cent in number from August, 1923, but was 13.4 per cent greater in value than a year ago.

MERCHANDISING CONDITIONS

Wholesale Trade—Current reports from wholesalers in this district emphasize the generally prevailing confidence in the outlook for fall trade, although much of the statistical data for August compared unfavorably both with the preceding month and a year ago.

Whereas in each of the three preceding years for which this bank has comparable data (1921-1923) reporting dealers in the five commodities covered evidenced an upward

trend in sales during August, group increases this year were restricted to dry goods and shoes. For the former, August was the second month to show an expansion in business, the first half of the year having witnessed a continually diminishing volume. Dry goods sales, however, are still below the 1923 level; in fact, the decrease for August was the largest yet noted for this group as well as for groceries. Aggregate sales in none of the commodities

except drugs reached the August, 1922, volume, and only hardware and drugs exceeded sales three years ago.

Collections during August tended to drag, so that accounts outstanding at the end of the month in general averaged higher than on July 31. In comparison also with August, 1923, collections this year aggregated a smaller volume, but with percentage declines for hardware, shoes, and dry goods less pronounced than corresponding decreases in sales.

Inventories on August 31 were lower than at the beginning of the month for all groups except groceries, with reductions ranging from 1.0 per cent for drugs to 6 per cent for dry goods. Shoe, dry goods, and drug stocks continued below the corresponding month of 1923, but hardware and grocery stocks showed increases.

Delinquent accounts reported for August to the National Electrical Credit Association by member manufacturers and jobbers in the Central Division numbered 935 with a total value of \$109,854.37, or 1.9 per cent larger than for July, but 3.9 per cent less than a year ago.

Department Store Trade—The total volume of business during August for firms reporting to this bank averaged 9 per cent larger than during July. This increase, representing individual gains by half the stores, approximates the 1921 and 1922 rate of expansion but compares with 24 per cent last summer. The decline of 9 per cent from a year ago is the fourth decrease to be noted for 1924.

Collections during August fell off 16 per cent, a drop coincident with the summer slackness in trade and analogous to declines of 20 and 17 per cent in 1922 and 1923, in both of which years August was the low month. Seasonally curtailed business likewise decreased the accounts outstanding August 1 to the lowest level for the year, all but two stores sharing in the reduction from July, but over half continuing to show a larger volume on their books than in 1923.

As in previous years, inventories during August, after four successive months of contraction, began to evidence some accruing of stocks, thirty-seven out of fifty-four stores

showing gains at the end of the month over July 31. For the district as a whole, however, the increase of 5 per cent is less marked than in any of the three immediately preceding years. With two-thirds of the stores inventoried below August 31, 1923, combined stocks for the first time in twenty-two months averaged lower than the corresponding month of the previous year.

Chain Store Trade—With one exception chain store systems reporting August sales to this bank indicated an increase over the preceding month, musical instrument firms averaging the most marked gain. Sales for this group, however, compared unfavorably with the corresponding month of both 1922 and 1923, while sales in other commodities exceeded all previous August records.

Mail Order Trade—August sales for each of Chicago's two leading mail order houses were ahead of the July volume, with one firm exceeding also the corresponding 1923 business, and the other showing an increase in the number of orders although not in the amount. Cumulative sales for 1924 are nearly 5 per cent over those of a year ago, 42 per cent larger than in 1921 or 1922, and within 8 per cent of the 1920 volume. Business is reported of satisfactory nature with indications for fall encouraging.

TRANSPORTATION

The increase in freight carloadings during August was entirely seasonal, large gains showing in the week-to-week comparisons, and pointing toward the usual yearly peak recurrence in September or October. The most significant increases registered in August were in grain and manufactured products, both of which were substantially above last year as well as the preceding month. Cumulative loadings for the first eight months of this year are approximately 1.6 million cars behind the corresponding period of last year; they are considerably in excess of the average for that period in the past five years.

During July the Class I railroads earned \$74,027,000, compared with \$84,866,400 in the corresponding month of last year. Ten eastern and seventeen western roads operated at a loss during July, compared with a total of thirty-eight in the preceding month.

MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1919 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve district unless otherwise noted.)

| | No. of Firms | August 1924 | July 1924 | August 1923 | July 1923 |
|--|--------------|-------------|-----------|-------------|-----------|
| Meat Packing—(U. S.)— | | | | | |
| Sales (in dollars) ¹ | 64 | 97.9 | 94.7 | 96.1 | 91.1 |
| Casting Foundries— | | | | | |
| Shipments (in dollars)..... | 29 | 74.4 | 78.2 | 114.0 | 106.4 |
| Stoves and Furnaces— | | | | | |
| Shipments (in dollars)..... | 19 | 105.8 | 74.3 | 103.7 | 71.2 |
| Agricultural Machinery & Equipment—(U. S.)²— | | | | | |
| Domestic Sales (in dollars)..... | 130 | 111.3 | 111.9 | 105.7 | 116.7 |
| Exports (in dollars)..... | 130 | 98.0 | 101.6 | 140.0 | 109.5 |
| Total Sales (in dollars)..... | 130 | 109.4 | 110.4 | 110.8 | 115.6 |
| Furniture³— | | | | | |
| Orders (in dollars)..... | 23 | 110.8 | 137.8 | 106.7 | 141.5 |
| Shipments (in dollars)..... | 23 | 117.7 | 90.5 | 153.4 | 131.5 |
| Shoes⁴— | | | | | |
| Production (in pairs)..... | 36 | 133.4 | 114.4 | 155.2 | 123.2 |
| Shipments (in pairs)..... | 36 | 163.9 | 124.4 | 172.0 | 130.6 |
| Electric Energy— | | | | | |
| Output of Plants (KWH)..... | 10 | 148.3 | 142.8 | 145.6 | 142.5 |
| Industrial Sales (KWH)..... | 10 | 170.5 | 162.0 | 180.5 | 171.9 |
| Freight Carloadings—(U. S.)— | | | | | |
| Grain and Grain Products..... | | 157.3 | 120.8 | 133.0 | 117.2 |
| Live Stock..... | | 94.1 | 91.1 | 102.9 | 94.6 |
| Coal..... | | 93.1 | 88.4 | 119.0 | 117.8 |
| Coke..... | | 77.9 | 78.1 | 146.4 | 159.3 |
| Forest Products..... | | 119.4 | 110.5 | 134.0 | 129.2 |
| Ore..... | | 136.0 | 153.4 | 214.9 | 230.5 |
| Merchandise and Miscellaneous..... | | 128.4 | 123.5 | 127.3 | 125.7 |
| Total..... | | 129.8 | 114.8 | 129.6 | 127.9 |
| Iron and Steel— | | | | | |
| Pig Iron Production:⁵ | | | | | |
| Illinois and Indiana..... | | 65.6 | 64.9 | 153.3 | 156.2 |
| United States..... | | 72.8 | 68.7 | 132.5 | 141.9 |
| Steel Ingot Production—(U. S.)⁶ | | | | | |
| Unfilled Orders U. S. Steel Corp. | | 86.7 | 63.2 | 120.8 | 124.7 |
| | | 54.9 | 53.2 | 90.3 | 98.6 |
| Automobiles—(U. S.)— | | | | | |
| Production: | | | | | |
| Passenger Cars..... | | 182.1 | 171.9 | 227.3 | 215.1 |
| Trucks..... | | 103.6 | 96.3 | 115.6 | 114.9 |
| Shipments:⁷ | | | | | |
| Carloads..... | | 144.3 | 129.8 | 183.4 | 156.9 |
| Driveaways..... | | 71.7 | 66.7 | 117.1 | 119.6 |
| Boat ⁸ | | 222.7 | 215.1 | 296.4 | 298.8 |
| Automobile Excise Tax | | | | | |
| Collections (7th F.R. District)— | | | | | |
| New Automobiles..... | | 103.7 | 120.4 | 82.8 | 215.9 |
| New Automobile Trucks..... | | 27.7 | 57.8 | 36.0 | 106.3 |
| Parts and Accessories..... | | 41.3 | 73.0 | 73.8 | 89.4 |
| Stamp Tax Collections⁹— | | | | | |
| Sales or Transfers of | | | | | |
| Capital Stock..... | | 87.2 | 108.6 | 74.9 | 111.5 |
| Sales of Produce on Exchange—Futures | | | | | |
| | | 45.1 | 54.4 | 43.9 | 61.3 |
| Wholesale Trade— | | | | | |
| Net Sales (in dollars): | | | | | |
| Groceries..... | 40 | 75.2 | 76.6 | 83.5 | 74.4 |
| Hardware..... | 21 | 93.1 | 99.2 | 109.6 | 103.2 |
| Shoes..... | 7 | 44.6 | 32.9 | 75.0 | 55.7 |
| Drugs..... | 14 | 92.7 | 93.9 | 104.8 | 94.2 |
| Dry Goods..... | 13 | 91.3 | 79.2 | 117.0 | 99.2 |
| Retail Trade (Department Stores)— | | | | | |
| Net Sales (in dollars): | | | | | |
| Chicago..... | 9 | 135.9 | 108.7 | 129.9 | 96.6 |
| Detroit..... | 4 | 118.6 | 103.2 | 134.9 | 96.2 |
| Des Moines..... | 3 | 99.1 | 97.2 | 119.3 | 84.2 |
| Indianapolis..... | 5 | 98.8 | 98.0 | 113.8 | 101.9 |
| Milwaukee..... | 5 | 113.3 | 112.5 | 124.8 | 113.6 |
| Outside..... | 39 | 86.2 | 78.3 | 93.9 | 79.7 |
| Seventh District..... | 65 | 107.3 | 98.2 | 119.0 | 95.5 |
| Retail Trade—(U. S.)— | | | | | |
| Department Stores..... | 333 | 93 | 91 | 100 | 89 |
| Mail Order Houses..... | 4 | 74 | 69 | 73 | 74 |
| Chain Stores: | | | | | |
| Grocery..... | 28 | 199 | 207 | 179 | 177 |
| Drug..... | 9 | 153 | 151 | 145 | 141 |
| Shoe..... | 6 | 108 | 111 | 95 | 102 |
| Five and Ten Cent..... | 5 | 172 | 163 | 153 | 143 |
| Music..... | 4 | 90 | 72 | 103 | 82 |
| Candy..... | 4 | 184 | 195 | 179 | 176 |
| Cigar..... | 3 | 138 | 129 | 135 | 128 |
| Flour Production— | | | | | |
| (In barrels)..... | 42 | 122.2 | 99.2 | 108.4 | 76.3 |
| U. S. Primary Markets⁹— | | | | | |
| Grain Receipts: | | | | | |
| Oats..... | | 150.4 | 51.9 | 155.6 | 79.7 |
| Corn..... | | 126.3 | 122.4 | 139.3 | 123.7 |
| Wheat..... | | 296.1 | 129.1 | 202.8 | 116.0 |
| Grain Shipments: | | | | | |
| Oats..... | | 51.8 | 44.0 | 88.4 | 72.3 |
| Corn..... | | 75.7 | 73.5 | 83.5 | 78.3 |
| Wheat..... | | 171.0 | 54.3 | 85.0 | 57.0 |
| Building Construction— | | | | | |
| Contracts Awarded | | | | | |
| (in dollars): | | | | | |
| Residential..... | | 165.2 | 127.2 | 99.3 | 117.7 |
| Total..... | | 113.4 | 99.4 | 83.3 | 96.9 |
| Permits: | | | | | |
| Chicago..... | Number | 223.3 | 227.7 | 262.3 | 236.1 |
| | Cost..... | 252.7 | 225.1 | 231.9 | 190.0 |
| Indianapolis..... | Number | 243.6 | 241.4 | 260.4 | 227.5 |
| | Cost..... | 301.8 | 278.1 | 248.0 | 192.8 |
| Des Moines..... | Number | 188.2 | 196.1 | 224.5 | 220.6 |
| | Cost..... | 139.5 | 261.8 | 145.1 | 195.2 |
| Detroit..... | Number | 204.4 | 203.1 | 192.0 | 167.9 |
| | Cost..... | 172.2 | 175.0 | 224.5 | 117.2 |
| Milwaukee..... | Number | 208.7 | 207.1 | 216.2 | 214.3 |
| | Cost..... | 224.5 | 200.3 | 154.5 | 211.8 |
| Others (45)..... | Number | 204.0 | 216.2 | 223.8 | 219.8 |
| | Cost..... | 185.4 | 189.6 | 163.5 | 156.8 |
| Fifty Cities..... | Number | 210.0 | 213.8 | 220.5 | 208.2 |
| | Cost..... | 210.3 | 202.7 | 203.4 | 163.3 |

1. Monthly average 1920-1921=100; 2. Monthly average 1923=100; 3. Monthly average 1919-1920-1921=100; 4. Monthly average of mean of production and shipments in 1919=100; 5. Average daily production; 6. Monthly average 1920=100; 7. Base figures (1920) partly estimated; 8. First Illinois internal revenue district; 9. Monthly average receipts 1919=100.

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